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HB 171 Pamela Atkinson Homeless Trust Account

Utah Code §§9-4-802, 9-4-803, 59-10-530.5 **Effective Date May 5, 2003**

Renames the Homeless Trust Account to the Pamela Atkinson Homeless Trust Account.

HB 240 Venture Capital Enhancement Act

Utah Code §§9-2-1205, 63-55-209, 63E-1-102, 302 & 303, 9-2-1901 through 9-2-1924 **Effective Date July 1, 2003**

Creates the Utah Venture Capital Enhancement Act and the Utah fund of funds to promote commerce, create new jobs, and strengthen and diversify the economy of the state. The statute reads that "a need exists to increase the availability of venture equity capital for emerging, expanding, and restructuring enterprises in Utah, including enterprises in the life sciences, advanced manufacturing, and information technology." To encourage investment, incentives will be offered to private persons for making investments in the Utah fund of funds.

Creates the Utah Capital Investment Board to establish the criteria and procedures for issuance, allocation, and redemption of contingent tax credits to investors by means of certificates issued by the board. The certificates are considered a contract between the board and the investor under which a contingent tax credit is available and issued to the investor.

The board and the Tax Commission will make rules governing the form, issuance, and redemption of the certificates. The certificates will be issued in conjunction with an investment in the Utah fund

of funds by a designated investor. A contingent tax credit will be certified by the board only if the actual return to the designated investor is less than the return that was targeted at the issuance of the certificate.

Creates the Utah Capital Investment Corporation to organize the Utah fund of funds and manage seed and venture capital investments. The corporation will solicit investment plan proposals throughout the nation for the raising and investing of capital by the Utah fund of funds.

HB 299 Trust Law Amendments

Utah Code §§7-5-1, 59-10-103, 59-10-201, 75-2-205, 75-2-702, 75-2-1201, 75-2-1203, 75-2-1205, 75-2-1207, 75-2-1208, 75-7-201, 75-7-202, 75-7-204, 25-6-14, 75-2-1206.5, 75-7-208, 75-7-601, 75-7-602, 75-7-603; Administrative Rules R865-9I-11, R865-9I-12, R865-9I-20 **Effective Date January 1, 2004**

Expands the definition of "trust company." Only the following may be a trust company:

1. a Utah depository institution or its wholly owned subsidiary;
2. an out-of-state depository institution authorized to engage in business as a depository institution in Utah or its wholly owned subsidiary;
3. a corporation, including a credit union service organization, owned entirely by one or more federally insured depository institutions as defined in §7-1-103(8);
4. a direct or indirect subsidiary of a depository institution holding company that also has a direct or indirect subsidiary authorized to engage in business as a depository institution in Utah; and
5. any other corporation continuously and lawfully engaged in the trust business in this state since before July 1, 1981,

Provides that a trust is administered in this state, and therefore a resident trust, if:

1. the fiduciary transacts any administration of the trust in this state;
2. the trust states that it is administered in this state and is governed by the laws of the state; or
3. the trust falls within the provisions of section 75-7-208.

Provides that irrevocable trust income is not subject to Utah tax if the trust first became a resident trust on or after 1/1/04 and the trustee is a trust company.

Income in an irrevocable trust consisting of interest, capital gains, and dividends will not be subject to tax if:

1. the trust became a resident trust on or after January 1, 2004, and
2. the trustee is of a trust company.

HB 305 Individual Income Tax Contribution - Wolf Depredation and Management Restricted Account

Utah Code §§23-14-14.1, 59-10-550.1, 59-10-551 **Effective Date January 1, 2004**

Provides an individual income tax contribution of at least \$1 to the Wolf Depredation and Management Restricted Account on the taxpayer's individual income tax return.

1. Contributions must equal \$1 or more.
2. If a refund is due, the credit will be deducted from the refund amount.
3. If no refund is due, a taxpayer may remit a contribution with his/her return.
4. If a husband and wife file jointly, the contribution is a joint contribution.
5. The contribution is irrevocable.

Contributions and interest deposited into the account will be used by the Division of Wildlife Resources for:

1. payments for livestock depredation by wolves or wolf management; or
2. wolf management.

If contributions generate less than \$30,000 a year for 3 consecutive years, designation for the contribution will be removed from the income tax return and the Tax Commission may not collect the contribution from a taxpayer beginning 2 taxable years after the three-year period for which the contribution generates less than \$30,000 per year.

SB 43 Providing Information Relating to Tax Credits and Tax Filing Due Dates

Utah Code §§9-2-1803, 59-7-605, 608 & 610, 59-10-108.7, 59-10-109, 59-10-127 to 59-10-129, 59-10-507, 59-10-514, Chapter 10); Administrative Rule R865-91-39 (see below for rule explanation) **Effective Date January 1, 2003**

Applicants of the following tax credits are no longer required to attach copies of tax credit eligibility forms or written statements confirming certification to their individual income or corporate franchise tax returns. For record keeping purposes, the applicants must retain documents confirming the tax credits.

1. Targeted Business Income Tax Credit
2. Clean Fuel Alternative Tax Credit (credit expired 1/1/2003)
3. Clean Fuel Vehicle Tax Credit
4. Low Income Housing Tax Credit
5. Credit for Employers Who Hire Persons with Disabilities
6. Recycling Market Development Zones Tax Credit

Repeals the requirement that a partnership enclose a copy of its federal partnership return with the state return.

Extends the due date for electronic filing of individual income tax with the Tax Commission to match any extended filing date the IRS allows for electronically filed returns.

For the Low Income Housing Tax Credit, a housing sponsor is still required to attach Form TC-40LIS, Credit Share Summary of Low-Income Housing Project, to the housing sponsor's tax return for each taxable year for which the sponsor issues a tax credit certificate for low-income housing.

The Utah Housing Corporation determines the amount of credit and issues an allocation certificate to the qualifying housing sponsor. In turn, the housing sponsor provides a copy of the allocation certificate to each taxpayer that is issued a special low-income housing tax credit certificate. The

housing sponsor is also required to provide the Tax Commission with a list of the taxpayers issued a special low-income housing tax credit certificate and the amount of each tax credit (form TC-40LIS).

SB 118 Individual Income Tax - Adoption Expenses

Utah Code §§59-10-103, 59-10-114, 59-10-133; Administrative Rule R865-9I-48 **Effective Date January 1, 2003**

Allows an individual to subtract adoption expenses from federal taxable income in:

1. the year in which the expenses are paid or incurred;
2. the year in which the adoption is finalized; or
3. a year in which the taxpayer may claim the federal adoption credit.

Adoptions expenses mean any actual medical and hospital expenses of the mother of the adopted child which are incident to:

1. the child's birth;
2. any welfare agency fees or costs;
3. any child placement service fees or costs;
4. any legal fees or costs; or
5. any other fees relating to an adoption.

The amount of adoption expenses shall be subtracted from the federal taxable income of a resident or nonresident individual for one of the following taxable years regardless of whether a court issues an order granting the adoption. This is true for the taxable year in which the adoption expenses are:

1. paid;
2. incurred;
3. the taxable year in which a court issues an order granting the adoption; or
4. any year in which the resident or nonresident individual may claim the federal adoption expenses credit.

SB 131 Individual Income Tax Subtractions from Federal Taxable Income-Certain Capital Gains

Utah Code §§59-10-103, 59-10-114; Administrative Rule R865-91-4 **Effective Date January 1, 2003**

Provides a subtraction from federal taxable income for long term and short term capital gain on a capital gain transaction:

1. that occurs on or after 01/01/03;
2. if at least 70% of the proceeds of the capital gain transaction are used to purchase qualifying stock in a Utah small business corporation within 12 months; and
3. the individual did not have an ownership interest in the Utah small business corporation that issued the qualifying stock.

(2001 Legislation) HB 1006 Individual Income Tax - Addition of Interest to Federal Taxable Income

Utah Code §59-10-114 **Effective Date January 1, 2003**

For taxable years on or after 1/1/2003, bonds, notes, other evidence of indebtedness, or the interest or dividends earned are no longer exempt from Utah income tax if issued by one of the following entities:

1. another state,
2. the District of Columbia,
3. a political subdivision of another state, or
4. an agency or instrumentality of any of the above.

Interest and dividends earned from bonds purchased before 1/1/2003 are not taxable. However, income received from reinvested interest and dividends is taxable.

Interest from bonds, notes, and other evidence of indebtedness may not be added to the federal taxable income of a taxpayer if the entities outlined above reside in a state that does not impose an income tax on Utah bonds, notes, and other indebtedness. For more detail, read [Utah Taxation of Municipal Bond Interest](#)

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